



Presentation to Lenders

**For the Three and Six Month Periods
Ending June 30, 2008**

August 11, 2008

Safe Harbour Notice



The purpose of this public presentation is to update lenders and note holders with respect to Telesat’s financial performance for the second quarter of 2008, capital expenditures for the second quarter of 2008, and to report on the progress of business initiatives during the 2008 fiscal year. Please note that financial information may be found on Telesat’s website at www.telesat.com under the heading “Investor Relations”. This call is not intended for the media.

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- Quarterly revenues were \$170 million; quarterly EBITDA was \$104 million
 - \$7 million increase compared to 1st quarter for both revenues and EBITDA
 - Sales increases in all business units
- EBITDA margin improved to 61% from 60% at the end of the 1st quarter
- Nimiq 4 now expected to launch late in the 3rd quarter, subject to the successful completion of the prior Proton mission earlier in the quarter

2008 Q2 Results



Telesat Holdings Inc. Consolidated Statements of Earnings

	Three months ended June 30, 2008	Three months ended March 31, 2008	2Q vs 1Q 2008 Variance
<i>(in millions of Canadian dollars)</i>			
Service revenues	161.9	155.2	6.7
Equipment sales revenues	7.6	7.5	0.1
Operating revenues	169.5	162.7	6.8
Operations and administration expense	59.6	59.5	(0.1)
Cost of equipment sales	5.9	6.0	0.1
Operating expenses	65.5	65.5	-
EBITDA	104.0	97.2	6.8
Amortization	57.4	58.7	1.3
Earnings from operations	46.6	38.5	8.1
Interest expense	55.7	65.3	9.6
Other expense (income)	(39.1)	90.9	130.0
Income (loss) before income taxes	30.0	(117.7)	147.7
Income taxes	17.6	(16.3)	(33.9)
Net income (loss)	12.4	(101.4)	113.8

Adjusted 2008 YTD Results compared to 2007



Adjusted Telesat Holdings Inc.
6 months ended June 30, 2008 vs. 6 months ended June 30, 2007
(in millions of dollars)

	Telesat Holdings Inc. 6 months ended June 30, 2008 (CAD)	Telesat Canada 6 months ended June 30, 2007 (CAD)	Loral Skynet 6 months ended June 30, 2007 (CAD)	Assumed combined Telesat Holdings Inc. 6 months ended June 30, 2007 (CAD)	Variance 2008 vs 2007 (CAD)
Service revenues	325.5 (1)	227.1 (1)	78.6	305.7	19.8
Equipment sales revenues	15.1	26.1	-	26.1	(11.0)
	<u>340.6</u>	<u>253.2</u>	<u>78.6</u>	<u>331.8</u>	<u>8.8</u>
Operating and administration expense	123.3 (1)	87.9 (1)	56.2	144.1	20.8
Cost of equipment sales	11.9	21.2	-	21.2	9.3
	<u>135.2</u>	<u>109.1</u>	<u>56.2</u>	<u>165.3</u>	<u>30.1</u>
EBITDA	205.4	144.1	22.4	166.5	38.9

Notes:

(1) Service revenues and operations and administration expense have been normalized to reflect service lease treatment for the purchase and sale of capacity on N4iR.

2008 Q2 Update – Capital Expenditures



	Total Annual Combined Telesat Canada (10mos) Loral Skynet (10 mos) Telesat Holdings (2 mos) 2007	Telesat Holdings Inc. 6 months ended June 30/08	Combined Telesat Canada Loral Skynet 6 months ended June 30/07
	(CAD)	(CAD)	(CAD)
Satellite	\$ 240	\$ 96	\$ 144
Non-Satellite	\$ 22	\$ 2	\$ 2
Total	<u>\$ 262</u>	<u>\$ 98</u>	<u>\$ 146</u>